

**REMARKS**

In view of the foregoing amendments and the following remarks, reconsideration of the subject application is respectfully requested. Claims 1-27 are presently pending in the application. Claims 28-36 are directed to non-elected subject matter and have been withdrawn. Claims 1, 2, 10, 11, 19, and 24 have been amended to clarify the invention. All amendments are fully supported by the specification. No new matter has been added.

***Claim Rejections under 35 U.S.C. §112***

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §112, second paragraph. Appropriate amendments were made to claims 1, 2, 10, 11, 19, and 24, as suggested by the Examiner, to clarify that the related entries in the dynamic database are incorporated into the rule. Applicant respectfully submits that the rejection has been overcome with regard to independent claims 1, 10, 19 and 24 as well as all claims depending therefrom. Withdrawal of the rejection is therefore respectfully requested.

***Claim Rejections under 35 U.S.C. §101***

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. The independent claims have been amended to clarify that the results of determining whether an investment request or investment portfolio complies with a rule are communicated to a user via an output device. Applicant respectfully submits that the claimed invention now produces a tangible, concrete, and useful result. Withdrawal of the rejection is therefore respectfully requested.

***Claim Rejections under 35 U.S.C. §102***

In the Office Action, claims 1-27 were rejected under 35 U.S.C. §102(b) over U.S. Patent No. 5,893,079 to Cwenar. As will be discussed below, Cwenar fails to disclose or suggest incorporating related entries from a dynamic database into a rule applied to an investment request or investment portfolio. For at least this reason, the claims of the subject application are patentable over Cwenar.

Cwenar recites a computerized data processing system having an external data interface for communicating with nonuser outside sources of investment data to process and deliver the data to a server for storage in a central database. The data delivered to the central database is in the form of data storage tables containing investment data. A data storage table may contain information with respect to an individual security, such as a description of the security, coupon, yield, price, CUSIP number, and issuer of the security. The system also provides a compliance means which serves to compare a proposed trade with a group of rules which can be prioritized with respect to legal or business standards. The system can then provide instructions regarding stopping, delaying, or proceeding with the proposed trade with appropriate records being kept.

Claim 1 recites a method of determining whether a transaction involving a financial instrument is in compliance with investment objectives associated with an investment portfolio. The method includes providing a rule pertaining to an investment objective. The rule includes a reference to a dynamic database with a plurality of entries related to the rule. The method also includes applying the rule to an investment request and incorporating each related entry contained in the dynamic database into the rule. This allows a compliance rule to be utilized in a more efficient and cost effective manner, because the contents of the rule can be changed and

updated simply by changing the dynamic database, rather than changing a hard-coded portion of the rule. *See* specification, page 3, lines 5-13.

Cwenar does not anticipate claim 1. Cwenar fails to disclose or suggest incorporating entries from a dynamic database into the rules. The system disclosed in Cwenar allows a user to input rules through an external interface. *See* col. 11, lines 44-45. The rules may be stored on a local computer or in a central database. *See* col. 11, lines 46-51. The rules can be based on legal requirements, *see* col. 12, lines 6-7, or can be discretionary and customized to the preference of a user. *See* col. 12, lines 40-42. Cwenar simply does not disclose the step of incorporating entries from a dynamic database into the disclosed rules. Because Cwenar fails to disclose or suggest each element recited in claim 1, claim 1 and all claims depending therefrom are patentable over Cwenar.

Independent claims 10, 19, and 24 each include the step of incorporating related entries in a dynamic database into a rule. Thus, claims 10, 19, and 24, as well as all claims depending therefrom are also patentable over Cwenar. Accordingly, withdrawal of the rejections under 35 U.S.C. §102(b) is respectfully requested.

### CONCLUSION

It is respectfully submitted that each of the pending claims in the application, namely claims 1-27, is directed to patentable subject matter. Allowance of all pending claims in the application is earnestly solicited.

The Director is hereby authorized to charge any deficiency in the fees filed, asserted to be filed, or which should have been filed herewith (or with any paper hereafter filed in this application by this firm) to our Deposit Account No. 04-1105, under Order No. 58985(49357).

Respectfully submitted,

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A handwritten signature in black ink, appearing to read "Jacob P. Martinez", is written over a horizontal line.

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